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IN THE

Supreme Court of the United States

OCTOBER TERM, 1948

No. 230

MINNESOTA MINING & MANUFACTURING COMPANY,

Petitioner,

vs.

INDUSTRIAL TAPE CORPORATION,

Respondent.

PETITIONER'S REPLY BRIEF IN SUPPORT OF ITS PETITION FOR THE WRIT OF CERTIORARI.

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I.

RESPONDENT'S SUPPLEMENTARY STATEMENT OF MATTER INVOLVED IS IRRELEVANT.

It is a cardinal rule that upon certiorari the Supreme Court reviews only the errors assigned by the petitioner. *Warner Co. v. Independent Pier Co.*, 278 U. S. 85, 91; *Alice State Bank v. Houston Pasture Co.*, 247 U. S. 240, 242; *Crown Cork & Seal Co. v. Gutmann Co.*, 304 U. S. 159, 161.

The questions presented (petition, p. 6) and the errors assigned (Brief in Support of Petition, p. 9) are confined exclusively to issues of pleading and practice.

For this reason petitioner did not discuss the *pleaded* prior art. To have done so would have been irrelevant to the questions presented and the errors urged. Similarly, the respondent's "Statement Supplemental to Petitioner's Summary Statement", five pages in length, is neither material nor germane.

The Circuit Court of Appeals observed "that no useful purpose could be served in discussing or analyzing all of this prior art upon which the (district) court predicted its findings and conclusion" (R. 497); and added that the McCarthy device* was "the most pertinent prior art" (R. 497).

It is because the Circuit Court of Appeals reached its decision *solely* on the consideration of the *unpleaded* McCarthy dispenser, as the most pertinent prior art, that the questions presented by petitioner arise. The review sought is limited to the issue of the right of the Circuit Court of Appeals to give invalidating effect to unpleaded prior art.

For the foregoing reasons the supplemental statement of respondent is irrelevant, and its inclusion is simply confusing.

Petitioner's disposition of the respondent's supplemental statement on the ground of obvious impertinence is not an admission of the accuracy of such supplemental summary.

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*Just as in our petition, the term "McCarthy" generically includes the similar Clark dispenser.

II.

RESPONDENT PRESENTS NO SOUND REASON AGAINST GRANTING THE PETITION.

Respondent presents points A and B against granting the petition (Br., p. 6), neither of which is sound. Each point is based upon the position that the questions presented are *moot*, different supporting argument being given with each point.

Therefore, if respondent is wrong in its contention that "the questions presented by the petitioner are *moot*", it will be apparent that respondent has presented no reason in opposition to the petition.

Respondent is Wrong in Urging that the Findings of the District Court Render Moot the Questions Here Presented.

To support its argument that the questions presented are moot, the respondent refers to the trial court's findings on the *pleaded* prior art. Respondent says that these findings "were not reversed by the Circuit Court of Appeals". It is careful at this point not to say that they were affirmed, because they were not*. Actually, the Circuit Court of Appeals expressly declined to consider the pleaded prior art (R. 497). Moreover it plainly indicated that the pleaded art was less relevant than the unpleaded McCarthy device. See the Circuit Court's opinion (R. 497):

"... **McCarthy .... (is) are the most pertinent prior art.**"

The fact that the Circuit Court relied solely upon the McCarthy device, when such reliance involved the further question of the propriety of considering it at all, might well be taken as indicating that none of the pleaded art was considered as being sufficiently pertinent to invalidate the patent.

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*However, at page 1 of its brief, respondent erroneously indicates that there was an affirmance of those findings.

Respondent's statement (Br., p. 6) that the pleaded art is "dispositive of the controversy" at most is a prophecy and speculation as to what the Circuit Court of Appeals would decide were it directed by this Court to determine the merits of the controversy on the pleaded art.

Respondent's argument, in sum, is that if there are other grounds, not considered, upon which the Circuit Court of Appeals *might* have affirmed the judgment of the District Court, then it is a moot question whether that Court was in error on the point or points on which it did decide the appeal. The error of this view is rather self-apparent; and further is demonstrated by this Court's decision in *Crown Cork & Seal Co. vs. Ferdinand Gutmann Company,* 304 U. S. 159.

One of the patents sued upon in that case was Warth Patent, No. 1,967,195 on a method of manufacturing bottle caps. It was held valid and infringed by the District Court for the Eastern District of New York. In making this holding of validity and infringement, the district court discussed eleven prior art patents and held that none of them suggested the possibility of a method such as Warth's. The court also considered a number of alleged prior uses by both the defendant and the plaintiff and held that none of these prior uses invalidated the patent. It also held that there was no *laches* involved in filing the application which resulted in the Warth patent.

Upon appeal to the Circuit Court of Appeals for the Second Circuit, the holding as to the validity of the Warth Patent was reversed and claims 1, 2, and 3 thereof were held invalid solely on the ground of laches in filing the application for them, 86 F. 2d 698, at 702. **There, as here, the Circuit Court made no holding in respect to the pleaded prior public uses or prior art patents.**

The petition for certiorari, granted by this Court, raised only the question of whether the application for the Warth patent was timely filed. The holding of the Circuit Court of Appeals was reversed. This Court held that the Warth patent was not invalid for delay in filing the application; and said, p. 168.

> "As our decision is limited to the first question presented, the judgment of the circuit court of appeals will be reversed and the case will be *remanded* to that court *for decision of the other issues* in the case in accordance with this opinion." (Italics added)

This Court did not there assume that the Circuit Court of Appeals had already decided all the issues raised by the appeal and, contrariwise, recognized that the Circuit Court of Appeals had not reviewed the question of whether the patent there in suit was valid over the pleaded prior public uses and prior art patents.

By analogy to the action taken in the above case, upon deciding the questions here presented, as petitioner asks, this Court would *reverse* the judgment of the Circuit Court of Appeals and *remand* this case to that Court "for decision of the other issues" raised by the appeal.

This completely disposes of respondent's Point A.

Respondent is Wrong in its Position that the Introduction into Evidence of the McCarthy Device by the Petitioner Relieves Respondent of the Need to Plead It Affirmatively in order to Rely upon It as a Defense.

Respondent says that: "Title 35, Sec. 69, U. S. Code, was for the purpose of preventing surprise at the trial" (Br., p. 7). In respect to Rule 8, respondent says that whether it "has superseded that section of the code and requires such matters to be pleaded specially seems

immaterial" (Br., p. 7). Respondent goes on to say that petitioner introduced the McCarthy device itself and argues that, therefore, petitioner was not surprised by the McCarthy device.

The McCarthy device per se did not surprise petitioner *at* the trial. What surprised petitioner was the subsequent *defense* based upon the McCarthy device. It was further surprised by the defense based upon an unintended and non-existent use of McCarthy, without opportunity factually to rebut such defense. *After the conclusion of the trial*, respondent sought, for the first time, to rely upon the McCarthy device as a *defense*, i. e. as invalidating the patent in suit. This *defense* came as a complete surprise to petitioner, especially inasmuch as the McCarthy device was characterized by the respondent during the trial as *stupid and abortive* (R. 207, 208). The *defense* was asserted for the first time when it was too late for petitioner to rebut it with evidence.

The purpose of the statute, and the very clear purpose of Rule 8 which supersedes it, is to prevent a defendant from belatedly raising a surprise defense which it could have and should have pleaded at a time early enough to give the plaintiff a fair opportunity to rebut the defense with any available evidence. Respondent waited to urge McCarthy as a defense until all of the evidence was in, the trial was closed, and the petitioner's brief was filed.

That petitioner did not consider the device to invalidate the patent in suit, is self-evident from the fact that petitioner commenced the suit and introduced the McCarthy device in evidence. The record makes it clear that neither did the respondent initially consider the McCarthy device as negativing invention or otherwise invalidating the patent in suit, for until the trial was completed, it characterized

the McCarthy device as stupid and abortive. Therefore reasonable foresight and prudence on the part of petitioner's counsel during the trial of the case could not have suggested that evidence should have been introduced to meet a defense that the patent in suit was invalid for lack of invention over the McCarthy device. No such defense had been raised in any manner. Less was it raised by the defendant setting it "forth affirmatively" as a defense in its Answer, or in an amendment thereto, as required by Rule 8.

As indicated in our petition and brief, pages 2 and 14, it is always proper for either the plaintiff or defendant to put into evidence prior commercial devices, thereby "to aid the Court in construing plaintiff's patent" (*Jorgenson v. Hawkins*, 14 F. 2nd, 409, 410). The respondent cannot justify a failure to plead a defense based upon a prior art device by pointing out that petitioner knew of the device. It knew of the device, but it knew nothing of a defense based thereon. The statute and Rule 8 do not permit such ambush tactics, whether innocent or not.

Decisions Cited by Respondent Further Demonstrate the Confusion and Conflict Among Circuit Courts of Appeals.

Nowhere does respondent deny that there is a conflict among the circuits as to the effect which may be given to unpleaded prior art.

Nor does respondent deny the importance of a resolution of that conflict.

Instead respondent cites (Br., p. 7) a decision from the Circuit Court of Appeals for the Second Circuit and three from the First Circuit (one of which is from a district court) which emphasize the confusion and conflict.

In the *Dey*[1] case, the defendant argued the unpleaded use without objection from the plaintiff. The same observations apply to the *National Biscuit*[2] case. In the *Swift*[3] case the patent was invalid on its face for insufficiency of disclosure.

In the *Dey* and *National Biscuit* cases the courts referred to the fact that plaintiff was aware of the unpleaded use. However, the statute and the rule make no exception on this ground, and very logically do not. It is obvious that a plaintiff in a patent infringement suit may be aware of hundreds of prior uses, including his own and yet, in the absence of proper pleading on the part of the defendant, not have the slightest idea that any one of them would be relied upon to invalidate the patent in suit.

Hence these decisions indicate only that some courts have erroneously read a non-existent exception into the statute and thus furnish an additional reason for the allowance of the writ.

Moreover, in each of these cases plaintiff knew at the trial that the unpleaded uses were being relied upon as defensive matter. There was no surprise defense. On the contrary, in the instant case every indication was that McCarthy was not to be relied upon. This for the following reasons: (1) Respondent referred to the McCarthy dispenser as abortive and stupid (R. 207, 208). (2) Respondent's expert was interrogated only about the pleaded art, and made no reference to McCarthy (R. 309-345). (3) Respondent amended its answer during the trial, but still made no reference to McCarthy (R. 30-31).

Under these circumstances petitioner could not reasonably anticipate *at* the trial that thereafter, as a further

1. *Dey Time Register v. Bundy Recording Co.*, 178 F. 812, C.C.A. 2.
2. *National Biscuit Co. v. Crown Baking Co.*, 105 F. (2) 422, C.C.A. 1.
3. *M. Swift & Sons v. Coe Mfg. Co.*, 102 F. (2) 391, C.C.A. 1.

defense, McCarthy would be relied upon to deny novelty and invention. Thus petitioner had no reason or opportunity to present witnesses that it was not obvious (as the Circuit Court of Appeals said it was) to use McCarthy (in an unintended and impractical manner) to make of it a Borden dispenser.

Respondent's surprise reliance on McCarthy was prejudicial to plaintiff, and contrary to the intent and purpose of the statute and the rule.

In *Blanchard v. Putnam*, 75 U. S. 420 (cited by respondent at p. 7) this Court refused evidence of an unpleaded prior use because the plaintiff would have no opportunity to meet this defense. In the *Blanchard* case, the defendant's intended use of the refused evidence was apparent. The instant case suggests ambush. Yet it is this decision which respondent cites in support of its statement that the purpose of the statute is to prevent surprise.

The three Supreme Court decisions cited at page 8 of respondent's brief are not in point, since the Circuit Court of Appeals in the instant suit relied solely and specifically on one unpleaded item of prior art to invalidate the patent in suit.

The irrelevance of the *Brown*[1] and *Hendy*[2] cases has already been pointed out in petitioner's brief, pages 13-14.

The language from the *Slawson*[3] case is quoted out of context by respondent. There are other reasons to support the decision reached in the *Slawson* case. Furthermore, surely respondent does not seriously suggest that the arguable inferences which it draws from the *Slawson* decision (rendered in the year 1883) outweigh the direct mandate of Rule 8 to plead all affirmative defenses.

1. *Brown v. Piper*, 91 U. S. 37.
2. *Hendy v. Miner's Iron Works*, 127 U. S. 370.
3. *Slawson v. Grand Street P. P. & F. R. R. Co.*, 107 U. S. 649.

CONCLUSION

Respondent does not deny that conflict and confusion exist among the several Circuit Courts of Appeals on the questions presented in the petition, nor does it deny the importance of resolving that conflict.

The questions raised in the petition are not moot, for the reasons presented above. Hence the only two reasons advanced against the granting of the writ are disposed of.

The petition should be allowed and the writ granted.

Respectfully,

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September 20, 1948